

[For Immediate Release]



SinoMedia Holding Limited
2012 Annual Results Announcement

Net Profit Increased by 27%
Core Businesses Grew Steadily
“Three Screens” Strategic Layout Preliminarily Completed

Financial Highlights

<i>(RMB '000 unless specified otherwise)</i>	For the year ended 31 December		
	2012	2011	Change
Revenue	1,642,113	1,617,800	+2%
Profit from operations	419,672	352,292	+19%
Profit attributable to equity shareholders of the Company	302,591	238,945	+27%
Basic earnings per share (RMB)	0.544	0.424	+28%
Proposed dividends per share (HKD)			
- Final	13.5 cents	10.6 cents	+27%
- Special	13.5 cents	10.6 cents	+27%

(20 March 2013 – Hong Kong) – SinoMedia Holding Limited (“SinoMedia” or the “Company”, together with its subsidiaries, collectively known as the “Group”; stock code: 623), a leading media corporation in China, is pleased to announce its annual results for the year ended 31 December 2012. With revenue moderately increased as well as cost of services and operating expenses effectively kept under control, profit attributable to equity shareholders of the Company amounted to approximately RMB302.6 million, representing an increase of 27% year-on-year.

2012 was a slow year for domestic advertising industry. Meeting challenges brought about macroeconomic uncertainties and market environment factors, the Group promoted sales by enhancing its sales efforts, offering a diversified media product portfolio, and strengthening regional and industry specific promotional initiatives. As a result, the Group experienced a significant rebound in revenue in the second half of the year under review, and managed to achieve a revenue of approximately RMB1,642 million, up 2% year-on-year.

Commenting on the annual results, Chairman of the Company, Mr. Chen Xin said, “Proactively responded to the challenges posed by China’s economic fluctuations and changes in the media advertising industry, the Group achieved steady improvement in the ability of self-construction and brand establishment. While continuing to highlight its notable advantage on managing the resources of its core media, the Group focuses on the development of the integrated brand communication services, and recorded encouraging results. Through investments in an agricultural information portal website,

a video website and a digital pay television channel, the Group has demonstrated its competitive edge in all links along the industry value chain, by preliminarily completing its “Three Screens” strategic layout.”

During the year under review, before deduction of sales taxes and surcharges, revenue from media resources management was approximately RMB1,593 million, keeping flat with the last year. Since the beginning of 2012, the domicile of the Group’s principal operating subsidiaries have launched tax reforms, shifting from business taxes to value-added taxes. If the revenue included tax, revenue recorded from media resources management for year 2012 would have increased by 5% year-on-year. During the year under review, the Group had approximately 39,718 minutes of advertising time resources on a total of 50 programs on the TV channels of China Central Television (“CCTV”), including CCTV-1 (General)/CCTV-News (Chinese), CCTV-4 (Chinese International, including Europe and the US), CCTV-5 (Sports), CCTV-7 (Military and Agriculture) and CCTV-NEWS (English).

Integrated brand communication services is one of the Group’s recent development focuses. By consolidating brand communication needs, the Group offers its clients multiple services from brand positioning and planning, market research and consultancy, media strategy and research, media procurement and placement, planning and execution of public relations, to placement monitoring and evaluation, covering a variety of media. During the year under review, before deduction of sales taxes and surcharges, turnover from this business amounted to approximately RMB1,232 million, up 45% year-on-year. Under the International Accounting Standards, the Group’s revenue is credited as net commission with relevant procurement costs deducted from turnover if the Group procures media resources in the capacity of an agent for clients. On this basis, the revenue was approximately RMB39.3 million, up 111% over that of the last year. The continuous increase in revenue was mainly attributable to the Group’s increased promotion efforts and resource allocation to this business, which favoured brand building and led to solid recognition from a wider client base, especially from the fields of finance, insurance and consumer goods.

The Group actively pushed forward its upstream business, namely the creative production of advertisements and content and the new media investment and integration. During the year under review, the commercial advertisement production business continued to develop and increase in revenue. Moreover, the self-constructed agricultural information portal website “www.wugu.com.cn” was launched, and the investments in the digital television channel “Super Channel” and the video clip website “www.boosj.com” were completed, all of which will crucially contribute to the Group’s implementation of its “Three Screens” strategic layout. These three new projects, coupled with the Group’s former investments in mobile TVs, further strengthen the Group’s channel configuration and constitute a key framework for the Group’s “TV+Internet+mobile” development strategy for the upstream media business.

Speaking about the expectation towards 2013, Mr. Chen commented, “With China’s GDP growth rate began to rebound and the support of the State’s policies, the Group is optimistic about the overall development of the media advertising industry and ready to seize abounding opportunities. As a leading media corporation, SinoMedia will continue to refine its operation of all business sectors from downstream to upstream of the media industry value chain, by plowing the Group’s current client base, promoting further its service capability, building up interaction and linkage among different acquired media resources, channels and platforms, and striving to form new bolster for the Group’s core business. The Group aims at developing to a top-ranking media corporation both domestically and internationally, and reaping great investment returns for its investors.”

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About SinoMedia

SinoMedia was founded in 1999 and listed on the Main Board of the Hong Kong Stock Exchange in 2008. SinoMedia is a member of the China Advertising Association and the International Advertising Association, a China’s A Grade Advertising Company, and the director of the executive committee of the Association of Accredited Advertising Agencies of China. As a leading media corporation in China, SinoMedia has focused on building and developing its four core businesses, namely, media resources management, integrated brand communication services, creative production of advertisement and content, and new media investment and integration. Its current businesses cover CCTV media resources, public service advertising broadcast network, online portal websites, mobile media and overseas media. These businesses span from domestic to international markets and encompass both traditional and new media platforms. SinoMedia integrates the philosophy and operating system that span the entire media value chain and has provided comprehensive, professional, and high-quality brand communication services for more than 1,600 corporate clients and over 500 cities and government organisations.

For further information, please contact:

SinoMedia Holding Limited

Kent Lo / Cecilia Zhang

Tel: (852) 3976 7368 / (86) 10 5918 0651

Email: ir@sinomedia.com.hk / kent@sinomedia.com.hk / cecilia@sinomedia.com.hk

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